

TABLE 2

Mar-03

TOTAL GUARANTEED AND DIRECT LOAN PROGRAMS, March 2003 Baseline

	(by fiscal year)											
	2002 Preliminary	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
TOTAL ALL NEW LOANS [New Guaranteed and Direct Loans] a/												
Net Annual Loan Volume (Mil \$)	35,325	40,294	44,094	46,119	47,883	49,687	51,389	53,364	55,327	57,218	59,135	61,071
Net Number of Loans (000)	9,100	10,182	11,017	11,319	11,549	11,779	11,978	12,233	12,479	12,701	12,937	13,175
Average Loan Amount	\$3,882	\$3,957	\$4,002	\$4,074	\$4,146	\$4,218	\$4,290	\$4,362	\$4,434	\$4,505	\$4,571	\$4,635
Subsidy Rate b/ c/	4.14%	6.07%	8.32%	9.26%	10.22%	10.42%	10.25%	10.10%	9.95%	9.81%	9.69%	9.57%
SUBSIDIZED STUDENT LOANS [New Guaranteed and Direct Loans]												
Net Annual Loan Volume (Mil \$)	17,175	19,206	20,392	20,701	21,008	21,313	21,616	21,989	22,372	22,712	23,089	23,498
Net Number of Loans (000)	5,019	5,563	5,908	5,980	6,050	6,120	6,188	6,276	6,366	6,444	6,531	6,627
Average Loan Amount	\$3,422	\$3,452	\$3,451	\$3,462	\$3,472	\$3,483	\$3,493	\$3,503	\$3,514	\$3,525	\$3,535	\$3,546
Subsidy Rate b/ c/	11.41%	13.98%	17.09%	18.43%	19.73%	20.21%	20.21%	20.21%	20.21%	20.21%	20.21%	20.20%
UNSUBSIDIZED STUDENT LOANS [New Guaranteed and Direct Loans]												
Net Annual Loan Volume (Mil \$)	14,129	16,456	18,700	19,904	20,818	21,741	22,534	23,472	24,352	25,185	26,054	26,876
Net Number of Loans (000)	3,528	4,027	4,505	4,706	4,836	4,967	5,068	5,202	5,323	5,436	5,557	5,671
Average Loan Amount	\$4,005	\$4,086	\$4,151	\$4,229	\$4,305	\$4,377	\$4,447	\$4,512	\$4,575	\$4,633	\$4,688	\$4,739
Subsidy Rate b/ c/	-1.83%	0.28%	2.28%	3.07%	4.11%	4.45%	4.44%	4.44%	4.44%	4.44%	4.43%	4.42%
PARENT LOANS [New Guaranteed and Direct Loans]												
Net Annual Loan Volume (Mil \$)	4,021	4,632	5,002	5,514	6,057	6,633	7,239	7,902	8,603	9,320	9,991	10,697
Net Number of Loans (000)	552	592	605	633	663	692	722	755	789	822	849	877
Average Loan Amount	\$7,279	\$7,830	\$8,273	\$8,704	\$9,140	\$9,580	\$10,022	\$10,463	\$10,904	\$11,341	\$11,773	\$12,198
Subsidy Rate b/ c/	-4.71%	-4.39%	-2.78%	-1.25%	-0.36%	-0.21%	-0.21%	-0.21%	-0.21%	-0.21%	-0.21%	-0.21%

a/ Totals exclude consolidation loans.

b/ The subsidy rate is the net present value of the future federal cash flows associated with the loan dollars disbursed to borrowers each year. For example, the 2003 federal cost associated with the \$40,294 million in new loan volume would be \$2,446 million or 6.07% of the new loan volume [$\$40,294 \times .0607 = \$2,446$]. Another way to look at the cost of the loan programs is that overall it will cost the federal government on average about 6 cents for each new dollar loaned in 2003.

c/ The subsidy rates were calculated using the CBO January 2003 interest rate forecast. These rates would be different if other forecasts are used.